



U.S. Department of Justice

Environment and Natural Resources Division

BG-MIZ: 90-11-2-06089/2

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***Confidential – For Settlement Purposes Only  
Subject to FRE Rule 408***

January 13, 2011

978455

**BY ELECTRONIC MAIL**

Eric Berry, Esq.  
Husch Blackwell LLP  
190 Carondelet Plaza, Suite 600  
St. Louis, MO 63105

Re: Sauget Area 2

Dear Eric,

I am writing to you as counsel for Solutia, Inc. and Pharmacia Corporation regarding response actions at the Sauget Area 2 sites in Sauget and Cahokia, St. Clair County, Illinois (Sauget Area 2). The United States Environmental Protection Agency has requested that the Department of Justice bring a civil action in federal court to recover \$1,229,537.16 spent in oversight costs related to the construction of the interim remedy at Site R and other response costs incurred at the Sauget Area 2 sites in Sauget and Cahokia, St. Clair County, Illinois. I am writing to offer your clients an opportunity to resolve this matter before initiating litigation.

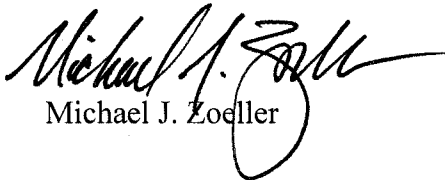
On December 28, 2008, Richard Hackley of U.S. EPA Region 5 submitted a bill to your clients for payment of oversight costs under the Administrative Order for Remedial Design and Interim Remedial Action in EPA Docket No. V-W-02-C-716 ("UAO"). To date, that bill has not been paid while the parties attempted to negotiate payment from other responsible parties who were not signatories to the UAO. Those negotiations are at a standstill and, consequently, payment is now due. Enclosed is an Itemized Cost Summary for U.S. EPA's UAO oversight costs updated through the end of fiscal year 2010.

We will consider extending the due date for payment of UAO oversight costs if you believe a negotiated resolution is still possible and if we extend the tolling period. If not, we must consider filing a lawsuit by February 16, 2011, when the current tolling agreement expires. Enclosed is an amended tolling agreement that would allow the parties an additional six months to negotiate a settlement. If you are interested in resolving this matter prior to litigation, please have this tolling agreement executed within the next two weeks.

Eric Berry, Esq.  
January 13, 2011  
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If you have any questions regarding this matter, please feel free to contact me at the address or telephone number set forth above. Thank you for your prompt attention to this matter.

Very truly yours,



Michael J. Zoeller

Enclosures

cc: Thomas J. Martin, U.S. Environmental Protection Agency – Region 5